

Message Text

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64

ACTION TRSE-00

INFO OCT-01 ARA-16 ISO-00 SS-20 SPC-03 IO-14 AID-20 STR-08

EB-11 COME-00 FRB-02 OMB-01 XMB-07 FEA-02 SCI-06

INT-08 OIC-04 AGR-20 SEC-03 TAR-02 CIAE-00 INR-10

NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 DRC-01 /180 W

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P 181921Z MAR 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 1807

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PASS TREASURY FOR SAM CROSS

EO 11652: NA

TAGS:

SUBJ: IDB ANNUAL MEETING

REF: STATE 034868; BOGOTA 2245

1. SUMMARY: DEVELOPMENT OF GOC POSITIONS FOR THE UPCOMING IDB ANNUAL MEETING IN SANTIAGO HAVE RECENTLY BEGUN. FIRST DRAFT OF FINANCE MIN'S STATEMENT WILL STRESS THE CHANGE IN THE MONETARY SITUATION RESULTING FROM THE ENERGY CRISIS AND THE NEED TO REDIRECT NEW FOUND OIL RESOURCES. FIRST DRAFT OF PUBLIC STATEMENT NOT LIKELY TO MENTION COUNTERVAILING DUTY PROCEEDINGS AGAINST CUT FLOWERS EXPORTED TO THE US. GOC HAS NOT YET BEGUN TO FOCUS ON ITS POSITIONS ON ISSUES RELATING DIRECTLY TO IDB. GOC WELCOMES INFORMAL SESSION WHERE GOVERNORS CAN DISCUSS TRADE AND MONETARY REFORM. COLOMBIANS WOULD LIKE SOME ADVANCE INFO ON AN INFORMAL BASIS ON THEMES SEC SHULTZ LIKELY TO DEVELOP AT INFORMAL SESSION. END SUMMARY.

2. IN RESPONSE TO REFTEL FINATT MET WITH ADVISOR TO THE MONETARY JUNTA, LEONEL TORRES, TO EXPLORE LIKELY GOC POSITIONS FOR THE

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UPCOMING IDB MEETING IN SANTIAGO. TORRES IS A COMPETENT ECONOMIST

AND IS INFLUENTIAL IN THE FORMULATION OF MONETARY AND FOREIGN EXCHANGE POLICIES. HE IS COLOMBIA'S ADVISOR TO THE C-20 AND ALONG WITH FRANCISCO ORTEGA HAS BEEN DIRECTED BY THE FIN MIN TO PREPARE A FIRST DRAFT OF MINISTERS IDB SPEECH. ACCORDING TO TORRES, THE ONLY GUIDANCE PROVIDED BY THE MIN WAS TO STRESS THE CHANGE IN THE MONETARY SITUATION PRESENTED BY THE ENERGY CRISIS AND THE NEED TO REDIRECT NEW FOUND FINANCIAL RESOURCES IN THE HEMISPHERE (READ VENEZUELA) TOWARD THE LESS FORTUNATE COUNTRIES IN THE REGION PERHAPS THROUGH MULTILATERAL INSTITUTIONS SUCH AS THE IDB. THIS POSITION IS CONSISTENT WITH THE WIDELY HELD VIEW THAT COLOMBIA IS LIKELY TO BECOME A NET IMPORTER OF PETROLEUM IN THE NOT TOO DISTANT FUTURE. COLOMBIA IS BEGINNING TO EXPERIENCE HIGH PRICES AND SHORTAGES OF IMPORTS OF PETROLEUM DERIVATIVES SUCH AS FERTILIZER.

3. ACCORDING TO TORRES SPECIFIC GOC POSITIONS ON IDB ISSUES, SUCH AS MEMBERSHIP FOR COUNTRIES OUTSIDE THE REGION, HAVE NOT BEEN FORMULATED TO DATE. THE GOC IS WAITING FOR RECOMMENDATIONS FROM THEIR IDB PEOPLE BEFORE PREPARING ITS POSITIONS.

4. WHEN ASKED IF HE FAVORED GOC SUPPORT OF SEC SHULTZ'S PROPOSAL TO INFORMALLY DISCUSS BROAD MONETARY AND TRADE REFORM ISSUES WITH THE OTHER GOVERNORS, TORRES STATED THE GOC WELCOMES THESE DISCUSSIONS AND THAT ITS BASIC POSITION THAT TRADE AND MONETARY DISCUSSION SHOULD GO HAND IN HAND HAD NOT CHANGED. HE WENT ON TO ASK IF FINATT KNEW SPECIFICALLY WHAT THE SEC WAS GOING TO STRESS. FINATT OFFERED HIS VIEW THAT US POSITION ON TRADE AND MONETARY REFORM WAS ALREADY WELL KNOWN THROUGH C-20 DISCUSSIONS AND PUBLIC STATEMENTS MADE BY TOP ADMINISTRATION OFFICIALS AND THAT SECRETARY MIGHT BE INTERESTED MORE IN LISTENING THAN TALKING. IN ANY EVENT, TORRES REQUESTED ADDITIONAL INFO ON THE GENERAL THEMES THAT SEC SHULTZ MIGHT DEVELOP AT THE INFORMAL SESSION. TORRES STATED THAT THIS INFO WOULD MAKE IT EASIER FOR THE FINANCE MIN TO RESPOND AND THAT HE WOULD LIKE TO INCORPORATE COMMON THEMES INTO THE GOC FORMAL STATEMENT WHERE THEY EXISTED.

5. TORRES WAS SOMEWHAT SURPRISED TO LEARN (BOGOTA 2245) THAT THE FINAN MIN PLANNED TO RAISE THE COUNTERVAILING DUTY ISSUE AT THE IDB MEETING. HE STATED THAT THE MIN DID NOT LEAVE INSTRUCTIONS TO WORK THIS POINT INTO THE MIN'S STATEMENT. FINATT COMMENTED LIMITED OFFICIAL USE

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THAT
THIS MADE SENSE TO HIM BECAUSE IT IS PROBABLY EASIER TO RESOLVE BILATERAL ISSUES THROUGH FACE TO FACE DISCUSSIONS THAN THROUGH PUBLIC RHETORIC. TORRES STATED THAT THE FORNMIN WILL BE URGED TO RAISE THE COUNTERVAILING QUESTION WITH SECY KISSINGER AT THE APR 17 MEETING OF FORNMINS. TORRES REPEATED THE THEME THAT COUNTERVAILING DUTY PROCEEDINGS APPEAR TO BE IN CONSISTENT WITH SPIRIT OF SECY'S MEXICO STATEMENTS.

6. COLOMBIAN DEL TO IDB MEETINGS WILL CONSIST OF FINAN MIN LUIS ECHAVARRIA (GOVERNOR), HEAD OF CENTRAL BANK GERMAN BOTERO DE LOS RIOS AND FRANCISCO ORTEGA ADVISOR TO THE MONETARY JUNTA. TORRES WILL NOT ATTEND IDB MEETINGS BECAUSE HE WILL BE GOING TO C-20 MEETING ON THE TRANSFER OF REAL RESOURCES FOLLOWED BY A GROUP OF 24 MEETING. TORRES SAID THAT A FEW OTHER COLOMBIANS MIGHT ALSO BE GOING TO THE IDB MEETING BUT NOT AS OFFICIAL DELS.

7. BEGIN COMMENT: ANY ADVANCE INFO ABOUT THE SECY'S PRESENTATION NOW BEING DEVELOPED FOR THE INFORMAL SESSION ON MONETARY AND TRADE REFORM WHICH CAN BE PASSED ON INFORMALLY TO THE GOC WOULD BE HELPFUL ESPECIALLY IF TRANSMITTED BEFORE MAR 21 MEETING WITH FINAN MIN (BOGOTA 2245). THIS REQUEST IS BASED ON THE BELIEF THAT (A) FROM TIME TO TIME IT IS NECESSARY TO PROVIDE INFLUENTIAL CONTACTS INFO NOT OTHERWISE AVAILABLE THROUGH OTHER CHANNELS AND MORE IMPORTANT (B) COLOMBIA'S POSITION ON MONETARY REFORM IS PROBABLY CLOSER TO OURS THAN MANY LATIN COUNTRIES AND THEREFORE IT MAY BE USEFUL FOR US TO CONSULT MORE CLOSELY WITH COLOMBIA. FOR EXAMPLE THE GOC FAVORS MOVING AHEAD WITH TRADE AND MONETARY REFORM SIMULTANEOUSLY. WHILE FAVORING RESOURCE TRANSFERS WITHIN THE CONTEXT OF MONETARY REFORM THE GOC REMAINS COOL ON THE AID/SDR LINK. FINALLY THE GOC APPEARS TO FAVOR A MORE ACTIVE ROLE IN MONETARY REFORM BY THE WEALTHY OIL EXPORTING STATES. VAKY

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